

Limited Purpose FSA

What is a Limited Purpose FSA?

Contributing to a limited purpose flexible spending account (LPFSA) allows you to pay for eligible dental and vision expenses with pre-tax income. Doing so can reduce your taxable income for the year. Typically, employees authorize their employer to withhold a specified amount from their paycheck each pay period for deposit into a LPFSA.

Full LPFSA funds are available on day one when the plan begins. Also, if you are a health FSA holder who is transitioning from a traditional medical plan to a HSA-qualified high deductible health plan (HDHP) you can roll any remaining balance up to the IRS maximum into a LPFSA.

IRS-qualified LPFSA expenses include:

Dental

- Braces, bridges, dental crowns, dental veneers and implants, dental cleaning and care, fluoride rinse and treatment
- Denture adhesives, stain cleaners and cleaning supplies, retainers, tooth extractions, toothache pain relievers, Waterpik

Vision

- Laser eye surgery, cataract surgery, eye exam, eyeglasses, bifocals, contact lenses, contact solution, glasses repair kit
- Ophthalmologist, optometrist, reading glasses, prescription sunglasses, Transitions® lenses, therapy eye mask

This list is not all-inclusive. For a complete list of qualified dental and vision expenses, see [IRS Publication 503](#).

How it Works

- Determine the annual election amount. Pre-tax contributions will be made in equal installments from your payroll.
- Make sure the services you use are eligible LPFSA expenses.
- Pay for eligible dental and vision services with your Pinnacle | Health & Benefits “smart” debit card (or use a separate pay source and submit your qualified LPFSA receipt for reimbursement).
- Store and submit receipts and check claim status in the Pinnacle | Health & Benefits website or mobile app.
- LPFSA account holders may be prompted to provide a copy of the receipt for certain transactions in accordance with IRS regulations.

The IRS sets the annual contribution limits for LPFSAs, and you can contribute up to the maximums listed below:

What are the 2023/2024 LPFSA contribution limits?*

Limited Purpose FSA	2023	2024
Maximum Annual Contribution Limit	\$3,050	\$3,200

* Source: IRS.gov

Note: LPFSAs are use-it-or-lose-it accounts.